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CRAVATH, SWAINE & MOORE

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RECORDATION NO

FILED 1425

16446-1
DEC 27 1989 -4 35 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO
FILED 1425
DEC 27 1989 -4 35 PM
INTERSTATE COMMERCE COMMISSION

9-362A001

December 22, 1989

Amendment Agreement No. 1 Dated as of December 1, 1989
Amending Rebuilding and Conditional Sale Agreement Filed
under Recordation No. 16446
Lease of Railroad Equipment Filed under
Recordation No. 16446-A

Dear Ms. McGee:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Grand Trunk Western Railroad Company for filing and recordation counterparts of the following document:

16446-1
Amendment Agreement No. 1 dated as of December 1, 1989, among Grand Trunk Western Railroad Company, as Lessee, Mercantile-Safe Deposit and Trust Company, as Agent, First Security Bank of Utah, N.A., as Trustee, Canadian Imperial Bank of Commerce (New York), as Owner, Grand Trunk Corporation, as Guarantor and State of Wisconsin Investment Board, as Investor.

Amendment Agreement No. 1 amends the Rebuilding and Conditional Sale Agreement and the Lease of Railroad Equipment dated as of July 15, 1989, previously filed and recorded with the Interstate Commerce Commission on July 28, 1989, at 9:05 a.m., Recordation No. 16446 and 16446-A, respectively.

The Amendment Agreement amends Schedule I and Schedule B to the Rebuilding and Conditional Sale Agreement

Completed G. H. Harnett

and Schedule B and Schedule C to the Lease of Railroad Equipment.

Please file and record the Amendment Agreement submitted with this letter and assign it Recordation Number 16446-D.

Enclosed is a check for \$15 payable to the Interstate Commerce Commission for the recordation fee for the Amendment Agreement.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument and this transmittal letter for your files. It is requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
as Agent for
Grand Trunk Western
Railroad Company

Noreta R. McGee, Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

Interstate Commerce Commission
Washington, D.C. 20423

12/28/89

OFFICE OF THE SECRETARY

nm

Laurance V. Goodrich
Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, N.Y. 10019

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/27/89 at 4:35pm and assigned recordation number(s). 16446-C

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16446 C ECC copy

16446 C
RECORDED BY 16446 C FILED 1029

DEC 27 1989 -4 35 PM

CERTIFICATE OF TRUE COPY

INTERSTATE COMMERCE COMMISSION

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

I, Laurance V. Goodrich, a member of the Bar of the State of New York, do hereby certify that I have compared the attached copies of the attached documents with an executed original counterpart thereof and find the said attached copies to be in all respects true, correct and complete copies of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature this 27th day of December, 1989.

Laurance V. Goodrich
Laurance V. Goodrich

Subscribed and sworn to before me this 27th day of December, 1989.

Caryn W. Sherman
Notary Public

My Commission expires:

CARYN W. SHERMAN
Notary Public, State of New York
No. 31-4633991
Qualified in New York County
Commission Expires August 31, 1990

DEC 27 1989 -4 35 PM

INTERSTATE COMMERCE COMMISSION

AMENDMENT AGREEMENT No. 1 dated as of December 1, 1989, among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "Agent"), GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan and Indiana corporation (the "Lessee"), CANADIAN IMPERIAL BANK OF COMMERCE (NEW YORK), a New York State-chartered bank (the "Owner"), FIRST SECURITY BANK OF UTAH, N.A. (the "Trustee"), GRAND TRUNK CORPORATION, a Delaware corporation (the "Guarantor") and the STATE OF WISCONSIN INVESTMENT BOARD (the "Investor").

WHEREAS the Agent, the Owner, the Trustee, the Lessee, the Guarantor and the Investor have entered into a Participation Agreement dated as of July 15, 1989 (the "Participation Agreement");

WHEREAS the Lessee and the Trustee have entered into a Lease of Railroad Equipment dated as of July 15, 1989 (the "Lease");

WHEREAS the Agent, the Lessee and the Trustee have entered into a Rebuilding and Conditional Sale Agreement dated as of July 15, 1989 (the "RCSA");

WHEREAS capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Participation Agreement;

WHEREAS the Lease and the RCSA were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on July 28, 1989, at 9:05 a.m., recordation number 16446-A and 16446, respectively, and deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada, on July 28, 1989, at 2:06 p.m.;

WHEREAS pursuant to Section 17 of the Participation Agreement the parties acknowledged the need to amend the Lease to achieve certain predetermined economics upon the identification of a number of variables which were unknown at the time the documents were executed;

WHEREAS certain of those variables affecting the Owner's net after-tax yield and aggregate after-tax cash flow have not been determined;

NOW THEREFORE, the parties hereto agree as follows:

1. Rentals in Schedule B to the Lease are hereby amended by substituting the rentals set forth in Exhibit A attached hereto.

2. The Amortization Schedule of each \$1,000,000 of Series A, Series B-1 and Series B-2 CSA Indebtedness contained in Schedule I to the RCSA is amended by substituting the amortization schedule set forth in Exhibit B attached hereto.

3. Schedule C to the Lease is amended by substituting the casualty values set forth in Exhibit C attached hereto.

4. Clause (b) of Section 17 of the Participation Agreement is amended by substituting "the Owner's expenditure in respect of its obligations to make payment of the amounts specified in Section 12 hereof will be \$102,350.02,".

5. Clause (d) of Section 17 of the Participation Agreement is amended by substituting "as to the series B Equipment only, the spread of the Owner's pre-tax return over the five year constant maturity Treasury note is equal to that spread on November 3, 1989, when the latter was 7.86%." The five year constant maturity Treasury Note to be used, assuming the December 27, 1989 closing occurs as scheduled, will be as of the week ended December 15, 1989 which will be published in the December 19, 1989 Wall Street Journal.

6. The fifth to last line of the last Paragraph of Article 2 of the RCSA is amended to read "accordance with Article 8 hereof whereupon title and risk of loss to such".

7. The sixth line of subparagraph (d) of the eighth paragraph of Article 3 of the RCSA is amended by substituting the following: "effective to have transferred as of the date of the Certificate of Acceptance full legal title to the Trustee,".

8. The Schedule of Closings in Schedule B to the RCSA is hereby amended by substituting the Schedule set forth in Exhibit D attached hereto.

9. The third line of the third paragraph of Section 12 of the Lease is amended by substituting "the end of the original term of this Lease or at the end of a renewal term as to each". The fourth paragraph of Section 12 of the Lease is deleted.

10. The Documents are each hereby amended so that any reference to any Document contained in any Document is hereby deemed to refer to such Document as amended hereby.

11. the terms of this Amendment Agreement and all rights and obligations of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording or deposit hereof as shall be conferred by the laws of the several jurisdictions in which this Amendment Agreement shall be filed, recorded or deposited.

12. It is understood that the Lessee's right to certification as described in subparagraph A of Section 17 of the Participation Agreement shall survive this Amendment and that the Owner's Original Return to be certified shall be based on the originally executed documents taking into account such other reasonable assumptions by Owner in calculating its pre-tax return and not on the executed documents as modified by this Amendment.

13. Except as amended hereby, the Documents shall remain unaltered and in full force and effect.

14. The Lessee will promptly cause this Amendment Agreement to be filed with the Interstate Commerce Commission and deposited with the Registrar General of Canada in accordance with the provisions of Section 14 of the Lease.

15. This Amendment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this

Amendment Agreement to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written and each of the undersigned signatories hereto declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, not in its
individual capacity but solely
as Agent,

by



Name: D. E. Schreiber

Title: VICE PRESIDENT

Executed on December 21, 1989.

[Seal]

Attest:


Corporate Trust Officer

GRAND TRUNK WESTERN RAILROAD
COMPANY,

by

Name: _____

Title: _____

Executed on December , 1989.

GRAND TRUNK CORPORATION,

by

Name: _____

Title: _____

Executed on December , 1989.

Amendment Agreement to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written and each of the undersigned signatories hereto declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, not in its
individual capacity but solely
as Agent,

by

Name:
Title:

[Seal]

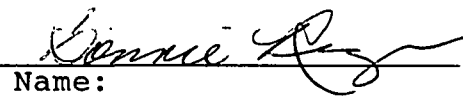
Attest:

Executed on December , 1989.

Corporate Trust Officer

GRAND TRUNK WESTERN RAILROAD
COMPANY,

by

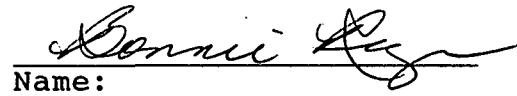


Name:
Title:

Executed on December 27, 1989.

GRAND TRUNK CORPORATION,

by



Name:
Title:

Executed on December 27, 1989.

CANADIAN IMPERIAL BANK OF
COMMERCE (NEW YORK),

by 

Name:

Title:

Executed on December 26 , 1989.

FIRST SECURITY BANK OF UTAH,
N.A., as Trustee as aforesaid,

by

Name:

Title:

Executed on December , 1989.

STATE OF WISCONSIN INVESTMENT
BOARD,

by

Name:

Title:

Executed on December , 1989.

CANADIAN IMPERIAL BANK OF
COMMERCE (NEW YORK),

by

Name:
Title:

Executed on December , 1989.

FIRST SECURITY BANK OF UTAH,
N.A., as Trustee as aforesaid,

by



Name: Greg A. Hawley
Title: Trust Officer

Executed on December 21, 1989.

STATE OF WISCONSIN INVESTMENT
BOARD,

by

Name:
Title:

Executed on December , 1989.

CANADIAN IMPERIAL BANK OF
COMMERCE (NEW YORK),

by

Name:
Title:

Executed on December , 1989.

FIRST SECURITY BANK OF UTAH,
N.A., as Trustee as aforesaid,

by

Name:
Title:

Executed on December , 1989.

STATE OF WISCONSIN INVESTMENT
BOARD,

by



Name: Mark G. Ulevich, Assistant Investment Director
Title: State of Wisconsin Investment Board

Executed on December 22, 1989.

SCHEDULE B TO LEASE

Basic Lease Rates

Date	Group A Units	Group B1 Units (Percentage of Purchase Price)	Group B2 Units
----	-----	-----	-----
July 2, 1990	3.760000	3.760000	4.944537
Jan. 2, 1991	6.224471	8.519925	7.614413
July 2, 1991	3.656886	3.628653	4.161068
Jan. 2, 1992	6.327586	8.651273	8.397881
July 2, 1992	3.531363	3.400460	3.961938
Jan. 2, 1993	6.453109	8.879467	8.597012
July 2, 1993	3.394041	3.142946	3.744090
Jan. 2, 1994	6.590431	9.136980	8.814860
July 2, 1994	3.243811	2.861227	3.505764
Jan. 2, 1995	6.740661	9.418700	9.053187
July 2, 1995	3.079459	2.553025	3.245037
Jan. 2, 1996	6.905013	12.455602	12.104402
July 2, 1996	2.899658	2.087604	2.828646
Jan. 2, 1997	7.084814	12.921024	12.520792
July 2, 1997	2.702956	1.578434	2.303629
Jan. 2, 1998	8.390859	13.430195	13.045811
July 2, 1998	2.474565	1.021401	1.289271
Jan. 2, 1999	9.728593	13.987228	14.060168
July 2, 1999	2.218140	9.178107	15.349437
Jan. 2, 2000	9.985018	5.830520	0.000000
July 2, 2000	1.950789	-----	-----
Jan. 2, 2001	10.252369	136.442771	139.541943
July 2, 2001	1.727537	=====	=====
Jan. 2, 2002	10.475621		
July 2, 2002	1.372111		
Jan. 2, 2003	10.831048		
July 2, 2003	0.927540		
Jan. 2, 2004	11.275618		
July 2, 2004	12.203158		
Jan. 2, 2005	0.000000		

	166.407224		
	=====		

SCHEDULE I

Amortization Schedule of Each
\$1,000,000 of 9.40% Series A CSA Indebtedness

Date	Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----	-----	-----	-----	-----
1/2/90	*	*	\$0.00	\$1,000,000.00
7/2/90	\$47,000.00	\$47,000.00	\$0.00	\$1,000,000.00
1/2/91	\$74,424.02	\$47,000.00	\$27,424.02	\$972,575.98
7/2/91	\$45,711.07	\$45,711.07	\$0.00	\$972,575.98
1/2/92	\$79,094.82	\$45,711.07	\$33,383.75	\$939,192.23
7/2/92	\$44,142.03	\$44,142.03	\$0.00	\$939,192.23
1/2/93	\$80,663.85	\$44,142.03	\$36,521.82	\$902,670.41
7/2/93	\$42,425.51	\$42,425.51	\$0.00	\$902,670.41
1/2/94	\$82,380.38	\$42,425.51	\$39,954.87	\$862,715.54
7/2/94	\$40,547.63	\$40,547.63	\$0.00	\$862,715.54
1/2/95	\$84,258.26	\$40,547.63	\$43,710.63	\$819,004.91
7/2/95	\$38,493.23	\$38,493.23	\$0.00	\$819,004.91
1/2/96	\$86,312.66	\$38,493.23	\$47,819.43	\$771,185.48
7/2/96	\$36,245.72	\$36,245.72	\$0.00	\$771,185.48
1/2/97	\$88,560.17	\$36,245.72	\$52,314.45	\$718,871.03
7/2/97	\$33,786.94	\$33,786.94	\$0.00	\$718,871.03
1/2/98	\$94,529.04	\$33,786.94	\$60,742.10	\$658,128.93
7/2/98	\$30,932.06	\$30,932.06	\$0.00	\$658,128.93
1/2/99	\$99,130.11	\$30,932.06	\$68,198.05	\$589,930.88
7/2/99	\$27,726.75	\$27,726.75	\$0.00	\$589,930.88
1/2/00	\$98,830.87	\$27,726.75	\$71,104.12	\$518,826.76
7/2/00	\$24,384.86	\$24,384.86	\$0.00	\$518,826.76
1/2/01	\$83,760.45	\$24,384.86	\$59,375.59	\$459,451.17
7/2/01	\$21,594.20	\$21,594.20	\$0.00	\$459,451.17
1/2/02	\$116,122.39	\$21,594.20	\$94,528.19	\$364,922.98
7/2/02	\$17,151.38	\$17,151.38	\$0.00	\$364,922.98
1/2/03	\$135,388.09	\$17,151.38	\$118,236.71	\$246,686.27
7/2/03	\$11,594.25	\$11,594.25	\$0.00	\$246,686.27
1/2/04	\$140,945.22	\$11,594.25	\$129,350.97	\$117,335.30
7/2/04	\$122,850.06	\$5,514.76	\$117,335.30	\$0.00
	-----	-----	-----	
	\$1,928,986.02	\$928,986.02	\$1,000,000.00	
	=====	=====	=====	

* Interest only shall be payable to the extent accrued on this date. This schedule is applicable to Series A Equipment as defined in the Lease.

SCHEDULE I

Amortization Schedule of Each
\$1,000,000 of 9.40% Series B-1 CSA Indebtedness

Date	Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----	-----	-----	-----	-----
1/2/90	*	*	\$0.00	\$1,000,000.00
7/2/90	\$47,000.00	\$47,000.00	\$0.00	\$1,000,000.00
1/2/91	\$81,932.84	\$47,000.00	\$34,932.84	\$965,067.16
7/2/91	\$45,358.16	\$45,358.16	\$0.00	\$965,067.16
1/2/92	\$106,047.85	\$45,358.16	\$60,689.69	\$904,377.47
7/2/92	\$42,505.74	\$42,505.74	\$0.00	\$904,377.47
1/2/93	\$110,993.33	\$42,505.74	\$68,487.59	\$835,889.88
7/2/93	\$39,286.82	\$39,286.82	\$0.00	\$835,889.88
1/2/94	\$114,212.25	\$39,286.82	\$74,925.43	\$760,964.45
7/2/94	\$35,765.33	\$35,765.33	\$0.00	\$760,964.45
1/2/95	\$117,733.74	\$35,765.33	\$81,968.41	\$678,996.04
7/2/95	\$31,912.81	\$31,912.81	\$0.00	\$678,996.04
1/2/96	\$155,695.02	\$31,912.81	\$123,782.21	\$555,213.83
7/2/96	\$26,095.05	\$26,095.05	\$0.00	\$555,213.83
1/2/97	\$161,512.80	\$26,095.05	\$135,417.75	\$419,796.08
7/2/97	\$19,730.42	\$19,730.42	\$0.00	\$419,796.08
1/2/98	\$167,877.43	\$19,730.42	\$148,147.01	\$271,649.07
7/2/98	\$12,767.51	\$12,767.51	\$0.00	\$271,649.07
1/2/99	\$174,840.35	\$12,767.51	\$162,072.84	\$109,576.23
7/2/99	\$114,726.31	\$5,150.08	\$109,576.23	\$0.00
	=====	=====	=====	
	\$1,605,993.76	\$605,993.76	\$1,000,000.00	

* Interest only shall be payable to the extent accrued on this date. This schedule is applicable to the Series B-1 Equipment as defined in the Lease.

SCHEDULE I

Amortization Schedule of Each
\$1,000,000 of 9.40% Series B-2 CSA Indebtedness

Date	Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----	-----	-----	-----	-----
1/2/90	*	*	\$0.00	\$1,000,000.00
7/2/90	\$47,000.00	\$47,000.00	\$0.00	\$1,000,000.00
1/2/91	\$88,229.04	\$47,000.00	\$41,229.04	\$958,770.96
7/2/91	\$45,062.24	\$45,062.24	\$0.00	\$958,770.96
1/2/92	\$98,022.40	\$45,062.24	\$52,960.16	\$905,810.80
7/2/92	\$42,573.11	\$42,573.11	\$0.00	\$905,810.80
1/2/93	\$100,511.54	\$42,573.11	\$57,938.43	\$847,872.37
7/2/93	\$39,850.00	\$39,850.00	\$0.00	\$847,872.37
1/2/94	\$103,234.63	\$39,850.00	\$63,384.63	\$784,487.74
7/2/94	\$36,870.92	\$36,870.92	\$0.00	\$784,487.74
1/2/95	\$106,213.71	\$36,870.92	\$69,342.79	\$715,144.95
7/2/95	\$33,611.81	\$33,611.81	\$0.00	\$715,144.95
1/2/96	\$144,353.90	\$33,611.81	\$110,742.09	\$604,402.86
7/2/96	\$28,406.93	\$28,406.93	\$0.00	\$604,402.86
1/2/97	\$149,558.78	\$28,406.93	\$121,151.85	\$483,251.01
7/2/97	\$22,712.80	\$22,712.80	\$0.00	\$483,251.01
1/2/98	\$163,072.63	\$22,712.80	\$140,359.83	\$342,891.18
7/2/98	\$16,115.89	\$16,115.89	\$0.00	\$342,891.18
1/2/99	\$175,752.09	\$16,115.89	\$159,636.20	\$183,254.98
7/2/99	\$191,867.96	\$8,612.98	\$183,254.98	(\$0.00)
	=====	=====	=====	
	\$1,633,020.38	\$633,020.38	\$1,000,000.00	

* Interest only shall be payable to the extent accrued on this date. This schedule is applicable to Series B-2 Equipment as defined in the Lease.

SCHEDULE C TO LEASE

Casualty Value Percentages Schedule

Casualty Payment Date	Group A Equipment Percentage	Group B-1 Equipment Percentage	Group B-2 Equipment Percentage
1/2/90	106.867455	102.614459	101.176570
7/2/90	107.853580	103.397953	101.567111
1/2/91	106.535370	99.572277	99.160163
7/2/91	107.162903	99.889365	99.823821
1/2/92	105.265252	95.337075	96.045036
7/2/92	105.721519	95.503699	96.294343
1/2/93	103.333025	90.286117	91.765102
7/2/93	103.668597	90.385162	91.733072
1/2/94	100.847626	84.556976	86.533241
7/2/94	101.090694	84.634652	86.321505
1/2/95	97.827527	78.179403	80.502926
7/2/95	97.969428	78.269626	80.195025
1/2/96	94.234362	68.477209	71.000933
7/2/96	94.280018	68.666813	70.663641
1/2/97	90.118004	58.107847	60.630437
7/2/97	90.162418	58.552352	60.417948
1/2/98	84.520572	47.301395	49.528532
7/2/98	84.615245	48.126069	50.049245
1/2/99	77.468885	36.176511	37.963348
7/2/99	77.564959	28.745915	24.299962
1/2/00	69.962387	24.250000	25.350000
7/2/00	70.139878		
1/2/01	62.096603		
7/2/01	62.288113		
1/2/02	53.952096		
7/2/02	54.275110		
1/2/03	45.396145		
7/2/03	46.197215		
1/2/04	36.837668		
7/2/04	26.351769		
1/2/05	27.500000		

SCHEDULE OF CLOSINGS

<u>Estimated Closing Dates</u>	<u>Hulk Purchase Price</u>	<u>Rebuilding Cost</u>	<u>Estimated Purchase Price Equipment</u>
July 31, 1989	\$1,650,000	\$ 4,191,000.00	\$ 5,841,000.00
December 27, 1989 (B-1 Units)	756,000	2,807,480.70	3,563,480.70
December 27, 1989 (B-2 Units)	<u>336,000</u> \$2,742,000	<u>1,247,769.20</u> \$8,246,249.90	<u>1,583,769.20</u> \$10,988,249.90